
HOUSE BILL No. 1423

DIGEST OF INTRODUCED BILL

Citations Affected: None (noncode).

Synopsis: Prison investment tax credit. Allows the retroactive application of the prison investment credit to a pass through entity for taxable years beginning after December 31, 1997, and ending before January 1, 2002.

Effective: Upon passage.

Murphy, Mays

January 14, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1423

A BILL FOR AN ACT concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **This SECTION**
2 **applies to state taxes paid:**

3 **(1) in a taxable year beginning after December 31, 1997, and**
4 **ending before January 1, 2002; and**

5 **(2) by a taxpayer or by the shareholders, partners,**
6 **beneficiaries, or members of a pass through entity, in the case**
7 **of a taxpayer that is a pass through entity that did not have**
8 **state tax liability.**

9 **(b) Notwithstanding IC 6-8.1-9-1 or any other law, if:**

10 **(1) a taxpayer made a qualified expenditure in a taxable year**
11 **beginning after December 31, 1997, and ending before**
12 **January 1, 2002, that would otherwise have been subject to**
13 **the credit provided under IC 6-3.1-6 but for the fact that the**
14 **taxpayer is a pass through entity that was not included in the**
15 **definition of taxpayer under IC 6-3.1-6-1, as the statute was**
16 **in effect before January 1, 2002; and**

17 **(2) the taxpayer's qualified expenditure would have been**
18 **eligible for a tax credit if IC 6-3.1-6, as amended by**



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1 P.L.129-2001, SECTION 5, and P.L.129-2001, SECTION 6,
2 had been in effect in the taxable year in which the qualified
3 expenditure was made;
4 the taxpayer may claim a refund equal to the amount set forth in
5 subsection (c).

6 (c) The amount of the refund permitted under subsection (b) is
7 equal to the amount of the state taxes paid in a taxable year
8 described in subsection (b) that would have been subject to a tax
9 credit if IC 6-3.1-6, as amended by P.L.129-2001, SECTION 5, and
10 P.L.129-2001, SECTION 6, had been in effect in the taxable year.

11 (d) In the case of a taxpayer that is a pass through entity that
12 did not have state tax liability, an individual who was a
13 shareholder, partner, beneficiary, or member of the pass through
14 entity in the taxable year for which a refund is permitted under
15 this SECTION may claim a refund. The individual is entitled to a
16 refund equal to:

17 (1) the amount of the refund determined for the pass through
18 entity for the taxable year; multiplied by

19 (2) the percentage of the pass through entity's distributive
20 income to which the shareholder, partner, beneficiary, or
21 member is entitled.

22 The refund provided under this subsection is in addition to a
23 refund to which a shareholder, partner, beneficiary, or member of
24 a pass through entity is entitled. However, a pass through entity
25 and an individual who is a shareholder, partner, beneficiary, or
26 member of the pass through entity may not claim more than one
27 (1) refund for taxes paid in a taxable year described in subsection
28 (b).

29 (e) This SECTION expires January 1, 2005.

30 SECTION 2. An emergency is declared for this act.

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